

**Statement of Deborah C. McElroy**

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**Before the Subcommittee on Aviation**

**Committee on Commerce, Science, and Transportation**

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Good morning, Madam Chairwoman, Senator Rockefeller, and distinguished members of the Committee. Thank you for providing this opportunity to comment on potential solutions to the issues of aviation congestion and delay.

**BACKGROUND**

I am President of the Regional Airline Association, a trade association representing 52 regional airlines in the United States. Regional airlines operate short and medium-haul scheduled airline service linking smaller communities with larger cities and connecting hubs, operating modern and technically advanced turboprop and regional jet aircraft. RAA member airlines carried over 95 percent of the regional airline passengers in the United States last year.

Today, regional carriers serve 442 commercial airports in the lower 48 states, and at 271 of these airports, regional carriers provide the sole source of scheduled air service. Regional airlines are growing at impressive rates; in fact, we're the *fastest* growing segment of commercial aviation. In the year 2000, regional airlines carried 85 million passengers, which means that approximately 1 out of every 8 domestic passengers traveled on a regional carrier.

FAA and numerous industry analysts have predicted that we're going to keep growing, and within the next five years, passenger enplanements are projected to exceed 117 million. This growth in our industry will mark an improvement in our nation's air transportation system overall, as many communities reap the benefits of increased access to the national air transportation network. Likewise, the growth

will be good for our 52 airline members, for their employees, and for the economic viability of small and medium-sized communities across the nation as our industry becomes stronger still.

As a by-product of our growth, regional jets, commonly referred to as RJs, are comprising more and more of the regional airline fleet. By 2005, we'll have more than 1,600 regional jets in service. While regional jets have performance capabilities similar to or, in some cases, better than their mainline narrow-body counterparts, we will increasingly rely on ATC and airport expansion to accommodate our growing fleet.

I'll take a moment, while discussing RJ growth, to talk about turboprops. Despite what you hear from some industry analysts, turboprops will remain an integral part of regional airline service for the foreseeable future. Because of higher operating costs and fuel issues, regional jets are inefficient on short-haul routes under 350 miles. This means that turboprops are still the only viable option for communities too small or too close to a large airport to support RJ service. Nonetheless, RJs are becoming a staple of regional air service, and may represent over 50 percent of the regional fleet and carry 70 percent of our passengers by 2005.

### IMPACT OF GROWTH

Along with the positive impacts of this growth, we see storm clouds on the horizon. Airport access is our top concern. Without it, our ability to grow will be limited, and regional jet and turboprop service to small communities could be reduced or even eliminated.

The problem, as we all know, is congestion. Demand for air travel is currently pushing the limits of supply, and we take this problem very seriously because airport congestion and subsequent delays are making air travel an increasingly frustrating experience for our passengers and their employees.

As Congress, the FAA, airlines, airports, and the nation at large struggle to find answers to aviation delays, we welcome the opportunity to testify on this issue because we believe we can be part of the solution. Still, we know that the path to resolution will not be an easy one.

Federal policymakers and officials at some of the nation's busiest airports have suggested a controversial response to aviation gridlock: hefty premiums for landing during peak travel hours. RAA opposes this approach because it carries with it adverse economic consequences for small and medium-sized communities. The fallout inherent to such an approach could prove fatal to small community air service in every state.

Most proponents of congestion pricing acknowledge its objective is to force airlines to spread out their flights and encourage a return to bigger planes, thereby easing congestion by managing demand. The most immediate problem with this approach is its serious, immediate, and potentially irreparable impact on air travelers in smaller communities. The smaller aircraft that proponents of a demand-management approach would seek to consign are the very same regional carriers that serve small and medium-sized communities across the nation; communities with little or—in the cases of 271 airports served exclusively by regional carriers—no other air-travel options.

Because congestion pricing mechanisms means higher landing fees, an airline would have to pass these charges along to passengers in the form of higher fares in order to remain competitive. The burden of this approach falls squarely on citizens residing in small communities. Airlines serving smaller communities with regional aircraft are far less likely to have the passenger base to absorb higher fees consequent to congestion pricing.

Ultimately, such a pricing mechanism could lead to reduction or elimination of air service if increased fares result in significantly decreased traffic. Rather than embark upon the fool's errand of offering such service, most regional airlines would be forced to operate at off-peak hours or not at all, thereby relegating passengers traveling to and from smaller communities to the least convenient form of air transport. And when passengers have to travel at inconvenient times, they lose the ability to conveniently connect to a major airline as they continue the journey, inviting additional overnight stays to their trip at significant costs.

Proponents suggest that congestion pricing will force smaller carriers to use alternate airports, allowing more access for the big jets. Airports adopting this approach fail to recognize the role regionals play in the aviation infrastructure: We feed the hubs. Relegating us to alternate airports allows a fundamental disconnect between regionals and their major partners. Elimination of hub-feeding regional service would have sweeping, negative impacts on the air transportation

infrastructure as a whole, as mainline passengers already shouldering congestion fees would likely see further fare increases as the passenger base decreases with regional airline passengers traveling.

Disenfranchising small and medium-sized communities from the national transportation system is not an appropriate response to congestion and delay.

While congestion pricing seems to offer immediate relief, implementation of demand management schemes will do nothing to resolve the underlying, systemic problem of inadequate airport capacity. Further, RAA believes strongly that congestion pricing runs counter to the tremendous leadership this committee and your colleagues in the House offered in passing the Wendell Ford Aviation Improvement Reform Act last year, laying the ground work for building and maintaining a healthy and vibrant national air transportation system. If FAIR-21 was designed to increase access and competition throughout the entire aviation sector, demand management will surely stay its momentum by reducing the incentive for FAA and some airports to undertake vital capacity enhancement projects. Instead, airports managing demand might squeeze by for several more years without pouring concrete.

At its root, congestion pricing offers a quick, short-term fix to a long-term, complicated problem. The problem is that capacity is not growing as fast as demand. And in the long term, this problem must be addressed through expansion of the system.

### ADDRESSING CAPACITY CONSTRAINTS

Congress showed leadership last year, by providing the funding necessary for airports to build new runways and enhance existing ones. This means that the ability for airports to meet increased demand will be enhanced, in some fortunate circumstances, by the construction of additional runways and other physical adjustments to airport runway and taxiway layouts.

We understand that undertaking airport expansion can be difficult and often politically contentious. One of the biggest challenges to expansion lies in the slow pace of identifying the environmental safeguards that need to accompany such expansion. Because environmental protections are so important, RAA is pleased that many airports around the country demonstrating heightened environmental sensitivity by hiring specialists to design environmentally friendly airport

improvement projects. This heightened environmental sensitivity makes it possible to expedite the environmental review process without relaxing even slightly our national agenda of environmental progress.

That is why we wholeheartedly support efforts to streamline and facilitate the National Environmental Policy Act (NEPA) procedures, so that environmental reviews at the state and local and the federal level can be done concurrently, not consecutively. Congress should consider requiring state air quality implementation plans to allow for realistic airport growth. Likewise, the FAA should identify airports where congestion is blocking critical access to the system and help those airports take action to alleviate the problem. These airports should be granted priority status within the scope of the current law so that these critical expansion projects receive prompt and informed attention. Congress should also consider exempting certain projects at those airports from NEPA review.

We are looking forward to seeing the results of the FAA's benchmarking report in the next few months. For airports that have exceeded the FAA-declared threshold on total annual hours of delay, Congress should dispense with the current system of considering off-airport alternatives, because such off-airport alternatives cannot possibly solve the nation's airport capacity problems and consideration of alternatives that do not exist only serves to build even more delay into the NEPA review process. Bearing in mind the importance of environmental protections, airports should continue to focus analysis on ways to minimize potential adverse environmental impacts through project design and mitigation.

Airlines have a role to play, too. Already, larger carriers are independently looking at how they can adjust schedules—including those of their regional partners—to alleviate congestion and delay. As part of this process, RAA believes that proposals granting limited antitrust immunity to airlines seeking to address congestion deserves careful consideration.

While airline scheduling adjustments and environmental streamlining are important efforts at easing delay, there is no silver-bullet solution. Instead of seeking a quick-fix, all sectors of the aviation community must work together to make incremental capacity enhancements, and we must continue to look at other solutions, such as new technology and air traffic controller "tools," which will simultaneously improve safety and efficiency in the management of aircraft that are arriving, departing and taxiing at airports.

## CONCLUSION

In the 25 years that RAA has been representing regional carriers, we have often represented a dual constituency, and have often found ourselves one of the few voices of advocacy for small community air service. In this capacity we have met with many of you and we have met with the airport directors of many of these small communities. And the message has been clear: Well-timed and affordable access to airline service is essential to the economic viability of these communities.

It is important to remember that peak demand periods of travel at airports are determined by air travelers who seek to optimize their business day or leisure travel by traveling at times that are most convenient. Air travelers demand frequency, convenience, and choice from airlines, whether they live in Pittsburgh or Peoria. It is not fair to constrain either of those service elements due to a coincidence of location. All communities have a fundamental right to equal access to the air transportation network, and congestion pricing promises to violate that right.

Madam Chairwoman, this concludes my prepared statement before the Committee. I look forward to addressing questions that you or any Member may have. Because our very growth depends on it, the issue is an important one to us and I therefore welcome your comments and suggestions in addition to your questions, as we continue to seek solutions to the problem of congestion and delay.

Thank you.